



U.S. Department of Housing and Urban Development

Oklahoma State Office

National Servicing and Loss Mitigation Center, HUFG

500 W. Main Street, Suite 400

Oklahoma City, OK 73102-2233

<http://www.hud.gov/local/okl/slm/mitihome.html>

August 15, 2000

TO: Lenders servicing FHA mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA

SUBJECT: **Moratorium on foreclosure on FHA Mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA**

As a part of the Secretary's effort to review predatory lending practices as they relate to loan originations, effective today, August 15, 2000, HUD is placing a 90-day moratorium on the foreclosure of FHA insured mortgages in the zip codes shown on the enclosed list for the subject metropolitan areas. This moratorium is similar to moratoriums declared due to Federal National Disasters (See HUD Handbook 4330.1 Rev. 5, Chapter 14) on properties insured by FHA that are located within these metropolitan areas.

- This moratorium applies to both the initiation of foreclosure and suspension of foreclosure for cases already in process.
- This moratorium does not affect routine inspections, preservation, and protection, as required by 24 CFR 203.377.
- This does not apply to properties in the affected zip codes that your records indicate are vacant or abandoned as of August 15, 2000, or properties found to be vacant or abandoned through subsequent inspections.
- If the foreclosure sale has already occurred do not suspend the ratification or eviction process. This notification will be in effect for ninety (90) days from August 15, 2000. It will expire on the close of business November 13, 2000.

HUD has established a moratorium page accessible from HUD's Servicing and Loss Mitigation page (<http://www.hud.gov/local/okl/slm/mitihome.html>) to provide copies of all moratorium notifications.

In those cases where the moratorium causes the initiation of foreclosure to occur past the normal deadline of six months after the date of default, the Department will grant an extension of up to ninety (90) days for the mortgagee to initiate foreclosure. This letter is your confirmation for a ninety (90) days extension for those properties affected by this moratorium.

Please maintain a copy of this letter in the individual claim review files to confirm the approved extension.

During the moratorium, loan servicers should review each of the affected accounts to ensure that the mortgagors were made aware of their loss mitigation options and that the loss mitigation evaluation required by 24 CFR 203.605 has been completed.

The loss mitigation initiatives to be considered are special forbearance, mortgage modifications, refinancing and partial claims. Other alternatives such as deed-in-lieu and pre-foreclosure sales should be encouraged if the homeowner is not in a position to cure the mortgage delinquency. This letter also authorizes an extension of an additional sixty (60) days to the maximum pre-foreclosure sales period for cases affected by this moratorium to allow sufficient time to market the property. If you have any questions regarding the moratorium our phone number is 888-297-8685.

Sincerely,

Michael B. O'Donnell
Director, Servicing and
Loss Mitigation Center

Enclosure



U.S. Department of Housing and Urban Development

Oklahoma State Office

National Servicing and Loss Mitigation Center, HUFG

500 W. Main Street, Suite 400

Oklahoma City, OK 73102-2233

<http://www.hud.gov/local/okl/slm/mitihome.html>

Zipcode List for the August 15, 2000 Moratorium on Foreclosure on FHA Mortgages in parts of the Metropolitan Areas of New York, NY; Atlanta, GA; Chicago, IL; Los Angeles, CA.

zipcode	state
10027	NY
11203	NY
11205	NY
11206	NY
11207	NY
11208	NY
11212	NY
11213	NY
11216	NY
11221	NY
11226	NY
11233	NY
11236	NY
11237	NY
11238	NY
11412	NY
11419	NY
11420	NY
11432	NY
11433	NY
11434	NY
11435	NY
11436	NY
11691	NY
11692	NY

zipcode	state
30032	GA
30034	GA
30038	GA
30058	GA
30083	GA
30088	GA

zipcode	state
60409	IL
60411	IL
60419	IL
60426	IL
60609	IL
60617	IL
60619	IL
60621	IL
60628	IL
60629	IL
60636	IL
60639	IL
60643	IL
60644	IL
60647	IL
60649	IL
60651	IL
60652	IL
60804	IL

zipcode	state
90001	CA
90002	CA
90003	CA
90004	CA
90005	CA
90006	CA
90010	CA
90011	CA
90015	CA
90021	CA
90037	CA
90044	CA
90059	CA
90061	CA
90220	CA
90221	CA
90222	CA
90303	CA
90723	CA
90802	CA
90813	CA